

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 1820 – HB 2228

April 3, 2009

SUMMARY OF BILL: Requires any payment in an amount less than \$1.00 that is owed to any department of state government to be waived.

ESTIMATED FISCAL IMPACT:

On March 18, 2009, a fiscal note for this bill was issued indicating a *decrease to state revenue of less than \$5,000* and a *decrease to state expenditures of less than \$5,000*. On March 20, 2009 and April 3, 2009 respectively, we received additional information from the Departments of Finance and Administration (F&A) and Human Services (DHS). Based on this additional information, the fiscal impact of this bill is estimated as follows:

(CORRECTED)

Decrease State Revenue – \$5,000/Recurring

Increase State Expenditures – Net Impact - \$52,400/FY09-10

**Decrease State Expenditures –
\$5,000/FY10-11 and Subsequent Years**

Assumptions:

- According to F&A and DHS, certain state computer systems would require modification to implement the provisions of this bill.
- Based on the information provided by F&A and DHS, one-time state expenditures for computer and programming modifications is estimated to be \$57,400.
- It is likely that the cost of processing any single payment to any department of state government exceeds \$1.00 per transaction. As a result, this bill is anticipated to reduce recurring state expenditures as a result of processing a fewer number of transactions and to reduce total state revenue as the result of no longer obtaining these funds. The decrease to recurring state revenue and the decrease to recurring state expenditures are estimated to be \$5,000 per year.

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- For FY09-10, the net increase to state expenditures is estimated to be \$52,400 (\$57,400 one-time increase - \$5,000 recurring decrease = \$52,400). For FY10-11 and subsequent years, state expenditures are expected to decrease by \$5,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc